Rising to the challenge. Staying ahead of the AML curve.

BSA Coalition

Strengthening the partnership between Law Enforcement and your AML Program

Welcome

Wednesday, September 15, 2021
10-11:30 AM USA EST
Rising to the challenge. Staying ahead of the AML curve.

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Announcements:

The views and opinions expressed in this webinar are those of the speakers.

They do not represent an official position of any regulatory agency, financial institution, law firm or the BSA Coalition.
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Announcements:

Share your thoughts
Complete the survey that will arrive in your inbox shortly after the event.
Acknowledgements

The BSA Coalition gratefully acknowledges the assistance of our sponsor, Atlantic Bay, who provides electronic conferencing facilities and technical support.
We appreciate the continuing support and encouragement of the BSA Coalition Board of Directors.
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Panelists

**Michael Caswell**
Special Agent in Charge - United States Secret Service

**Steve Gurdak**
Group Manager
Northern Virginia Financial Initiative (NVFI)

**Pearl Pang**
Internal Revenue Service Criminal Investigation Special Agent

**Kristina Peña Wilson**
Director, Anti-Money Laundering, Capital One
What are we covering today?

Emerging Trends (Case Studies)
- PPP Fraud
- Cyber & Cryptocurrency

What is Law Enforcement Looking for? Tips for a Successful SAR

Establish, Build, and Grow Partnerships between Financial Institutions and Law Enforcement

Questions & Answers
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**Emerging Trends:** Paycheck Protection Programs (PPP) Fraud

PPP loan in the amount of $1.5M to a DC car dealership

A senior executive sentenced to 18 months in prison for fraudulent applications for over $350K
Customer submitted an IRS Form 990 (Exempted Organization) to the bank and the Form was not filed with the IRS by checking the IRS website, https://www.irs.gov/charities-non-profits/tax-exempt-organization-search
Emerging Trends: PPP Indicators for FIs to look out for

- Individuals that will not provide tax forms have provided Excel documents claiming to be from a 3rd party Payroll company.
- Any customer receiving multiple Cares Act deposits in one account or in accounts controlled by the same person should prompt a BSA filing.
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**Emerging Trends:** PPP Indicators for FIs to look out for

- Any account with a Cares Act deposit that moves significant money out of the account, either in funding assets, or moving to an unrelated business, shortly after receiving proceeds, should prompt a BSA filing.
- Banks should always log IP addresses for every communication throughout the lending process if possible.
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Emerging Trends: Cyber & Cryptocurrency

Hackers diverting $100-300K in the home closing process

Know what you're clicking on
Emerging Trends: Cyber & Cryptocurrency Prevention and Response

- Routinely update your systems (software/hardware), limit administrative privileges, provide training, remove default passwords, and use multi-factor authentication.

- Look for micro transactions

- Not if it happens, but when it happens. Who do you call and do you have an incident response plan?
  - Call the U.S. Secret Service or the FBI and partner with an individual.
  - Become engaged with a task force and fraud group
  - Establish a plan and test it...
A successful SAR starts (and ends) with the narrative

1. Narrative
2. Narrative
3. Narrative

The components of a successful narrative:

- Concise but complete, if the narrative is longer than a page - consider beginning with a summary paragraph
- Describe relevant activity and explain potential links to criminal violations
- Attach a spreadsheet of the list of transactions vs. dropping into the narrative
- Reference account-opening docs, correspondence, customer contact, etc.
Top 5 tips for a successful SAR

1. **Why do you believe this is suspicious?**
2. **Describe the account activity**
3. **Know your customer**
4. **Capture past activity**
5. **Contact local Law Enforcement**

“Investigations are worked by people, people create relationships. Establish personal contacts, start building relationships, and grow your network”
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- Any “local” field offices have task forces within the region. Reach out and introduce yourself.
- Members of CFTF can connect you with other regions across the country.
- Brick & mortar local institutions - share trends and pictures. That’s where cases really get solved.
- United States Attorney Hotline
- Participate in tabletop exercises. LE works with FIs to participate in annual mock-up’s.
- Represent in your local SAR Review team (HIDTA)
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Helpful links & resources

- Secret Service Field Offices:
  - [https://www.secretservice.gov/contact/field-offices](https://www.secretservice.gov/contact/field-offices)

- Secret Service CFTF:
  - [https://www.secretservice.gov/investigation/cyber](https://www.secretservice.gov/investigation/cyber)

- FBI Field Offices:
  - [https://www.fbi.gov/contact-us/field-offices](https://www.fbi.gov/contact-us/field-offices)

- High Intensity Drug Trafficking Area (DMV)
  - [https://www.hidta.org/](https://www.hidta.org/)

- AUSA Hotline:
  - [https://www.justice.gov/usao/find-your-united-states-attorney](https://www.justice.gov/usao/find-your-united-states-attorney)
  - Eastern VA: [usavae.sar@usdoj.gov](mailto:usavae.sar@usdoj.gov)

- IRS Criminal Investigation Field Offices:
What questions do you have?

Q&A

You have Questions  We have Answers
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Our thanks to:
Our panelists & attendees

- Michael Caswell: mike.caswell@ussd.dhs.gov
- Steve Gurdak: sgurdak@wb.hidta.org
- Pearl P.Y. Yang: PuiYee.Pang@ci.irs.gov
- Kristina Peña Wilson: kristina.wilson@capitalone.com
Save the date!

Our next virtual Town Hall is scheduled for **Tuesday, October 19, 2021, 10 AM** USA EST

The topic: Keeping Track of Digital Currency
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November 4, 2021 | 10 am-11:30 am USA EST
Register at bsacoiralition.org/webinars

Register now!

Regulatory Panel 2020 In Review
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*Note this is a closed group—we want our members be confident that this group will truly remain collaborative and industry specific—please no sales.
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Thank you for attending!

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